Department of Defense

End-to-End Procurement Process

Mr. Mike Williams
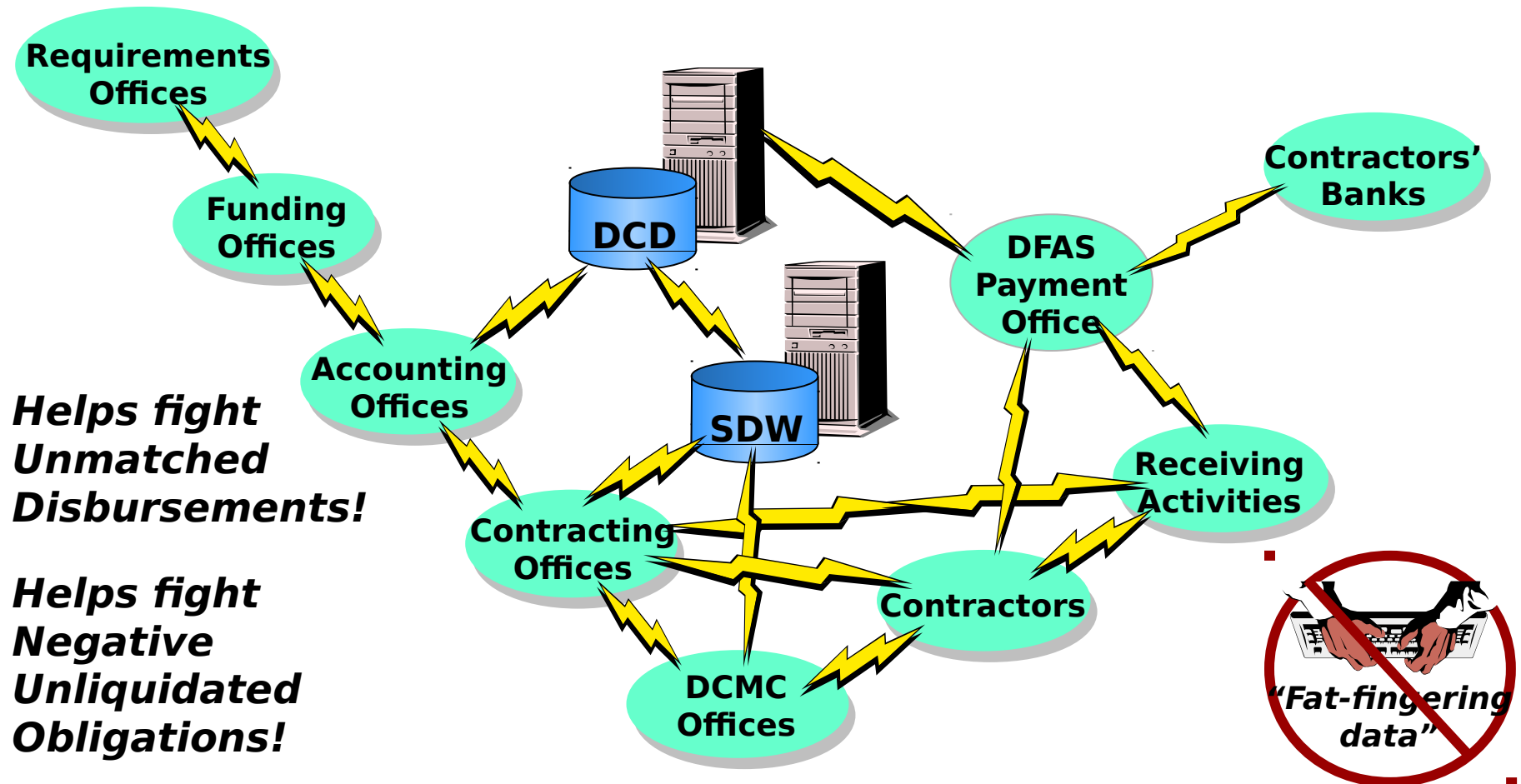**Chief, DCMC Paperless Contracting Center**

Background

⬧ **The Deputy Secretary of Defense's Paperless Acquisition Goals--*particularly as they relate to Unmatched Disbursements and Negative Unliquidated Obligations***

⬧ **Management Reform Memorandum #2, Moving to a Paperless Contracting Process by January 1, 2000**

⬧ **"As-is" Contracting Process Model developed by Paperless Contracting Working-level IPT in early 1998**

⬧ **Need for "To-be" Contracting Process Model**

⬧ **September 22nd Director, Defense Procurement Memo--*DCMC Lead "an 'End-to-end' Process Review of Contracting Requirements and SPS Systems Interface Issues."***

⬧ **Forthcoming Defense Reform Initiative Directive**

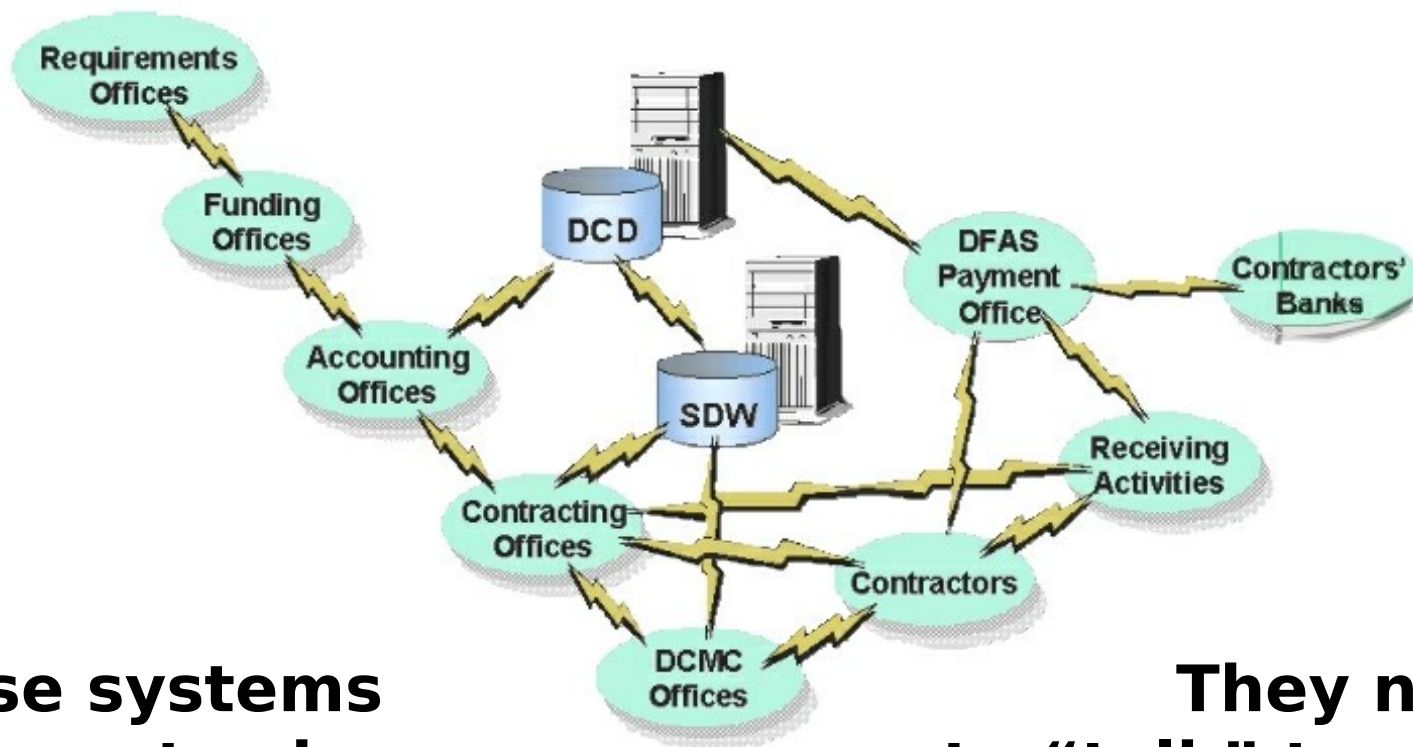# *Will it work?*

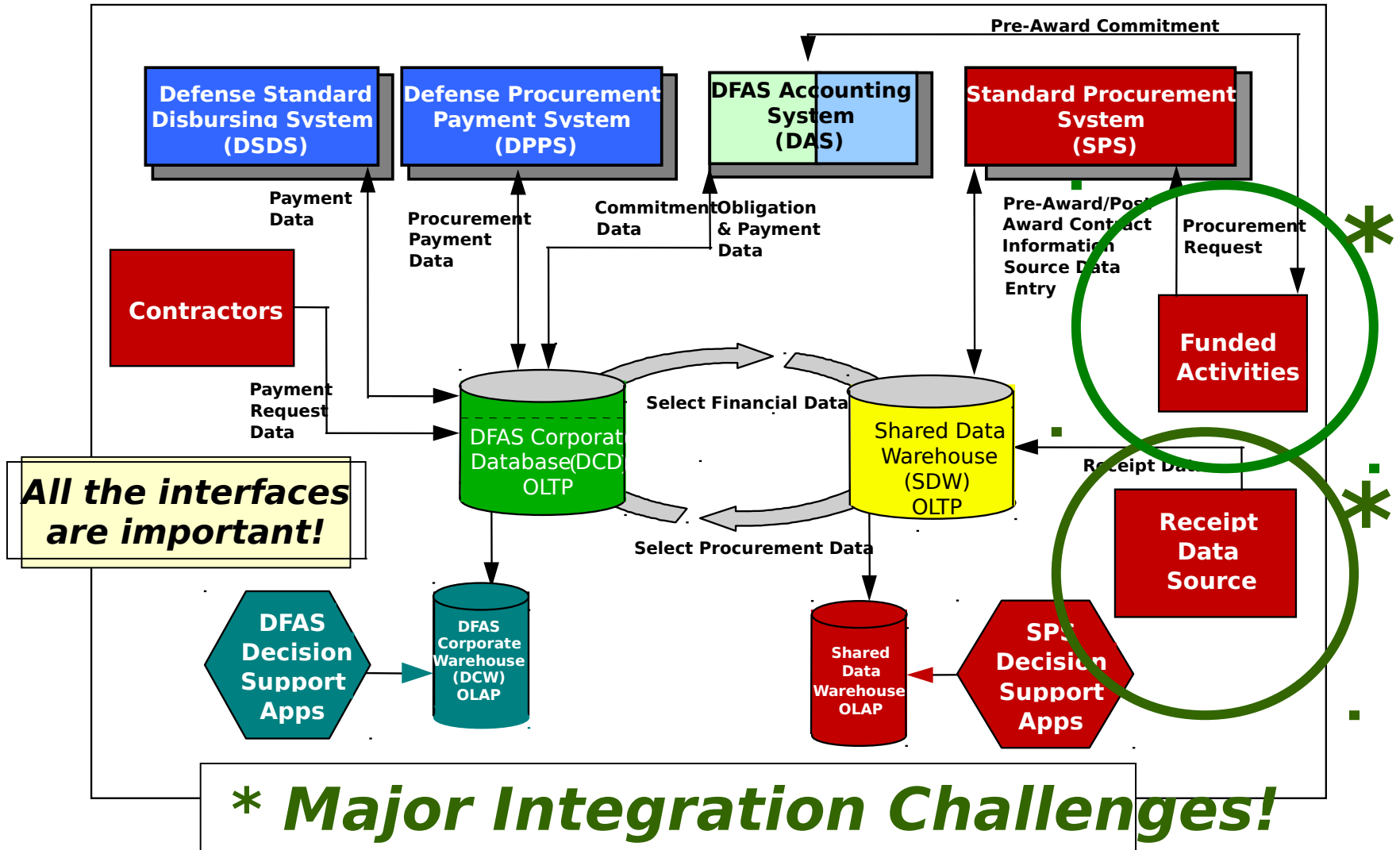*Only if everyone helps make sure!*

These systems all have to share data and information . . .   **They need to "talk" to each other really well . . .**

Integration Challenges

Notional "To-Be" Architecture

Pre-Award Commitment

Defense Standard Disbursing System (DSDS)

Defense Procurement Payment System (DPPS)

DFAS Accounting System (DAS)

Standard Procurement System (SPS)

Payment Data

Procurement Payment Data

Commitment Data

Obligation & Payment Data

Pre-Award/Post-Award Contract Information Source Data Entry

Procurement Request

Contractors

Payment Request Data

DFAS Corporate Database (DCD) OLTP

Select Financial Data

Shared Data Warehouse (SDW) OLTP

Select Procurement Data

Receipt Data

Funded Activities

Receipt Data Source

All the interfaces are important!

DFAS Decision Support Apps

DFAS Corporate Warehouse (DCW) OLAP

Shared Data Warehouse OLAP

SPS Decision Support Apps

* Major Integration Challenges!

Requirements Offices

DCMC Offices

This is where all of us

come into the picture!

Why We're Here

Goals and Expectations:

- **Develop an "End-to-End" Process Flow for the Contracting Process as Envisioned for FY 00, as Enabled by Electronic Initiatives**

Seamless interoperability is the goal!

Scope of Our Effort

- **Define the "To Be" Environment for the DoD Contracting Process, Worldwide, Including:**
    - Requirements
    - Solicitations
    - Awards and Modifications
    - Receipts
    - Payments
    - Contract Closeout

- **Address Process Dependencies, Integration Requirements, Information Requirements, and Responsibilities**
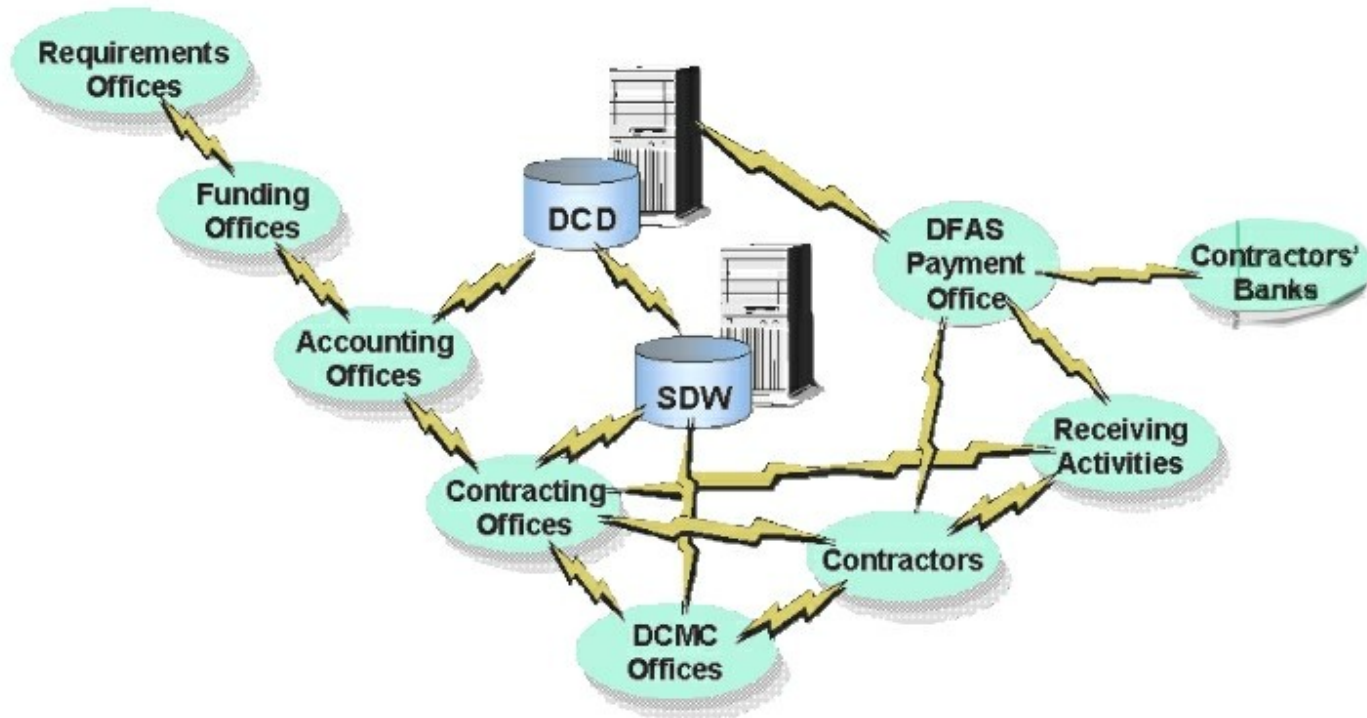
- **Seamless Data Flow Between Business Processes**

Business "Processes" vs. "Practices"

Staying focused on this . . .

But, keeping in mind . . .

Future Environments

Industry Suppliers

Organic Depots

Virtual ICPs

Commercial Maintenance Providers

(STEP) On-Demand Manufacturing

DAASC

Order Processing

ANSI X12

Distribution Depots

Consolidation Point

Direct Vendor Delivery

Commercial/ Military Distribution

Consumption/Failure Notices

Customer-Driven Logistics

In-Theater Suppliers

EDIFACT

Mobile Maintenance

- **Automated Consumption/ Ordering**
- **IETMs**

Strategic Lift

|— **5 days** —|

DoD EMALL — Shop By Item OR Category

Reutilization · Clothing · Medical · Subsistence · Information Technology · Aviation & Space · Maritime

Combat Vehicles · Automotive & Rail · Machinery & Equipment · Facilities & Construction · Hardware · Comm/ Electronics · Raw/Fabricated Material · Energy Products and Services

Asset visibility and logistics C^2 enabling customer-driven logistics processes focused on superior service to the Warfighter:
- **Rapid strategic lift**
- **5-day response time**
- **Confidence in re-supply**
- **2-month depot repair time**

And . . . .

2

* . . . already have Cost/Schedule Program Baselines . . .

Constraints

1
Electronic Initiatives*:

- **Standard Procurement System (SPS)**
- **Shared Data Warehouse (SDW)**
- **Defense Procurement Payment System (DPPS)**
- **DFAS Corporate Database (DCD)**
- **Defense Accounting System (DAS)**
- **Defense Standard Disbursing System (DSDS)**
- **Wide Area Workflow**

- **Other Systems??**

3

* . . . so, we'll work the data to be shared, not systems' "internals"!

Approach

- **Phase 1 - Model Template** ✳ *November 17-19*
  - **"Process" SMEs**
- **Phase 2 - Develop Process Model** ✳ *December 8-10*
  - **"Technical" Data Exchange SMEs** ✳
- **Phase 3 - Detailed "To-Be" Model** *January 5-7*
  - **As many levels of indenture as needed**
- **Phase 4 - System Cross-Walk** *January 19-21*
- **Phase 5 - "Final Polishing" Session** *January 27*
- **Develop Reports and Briefings** *End January*

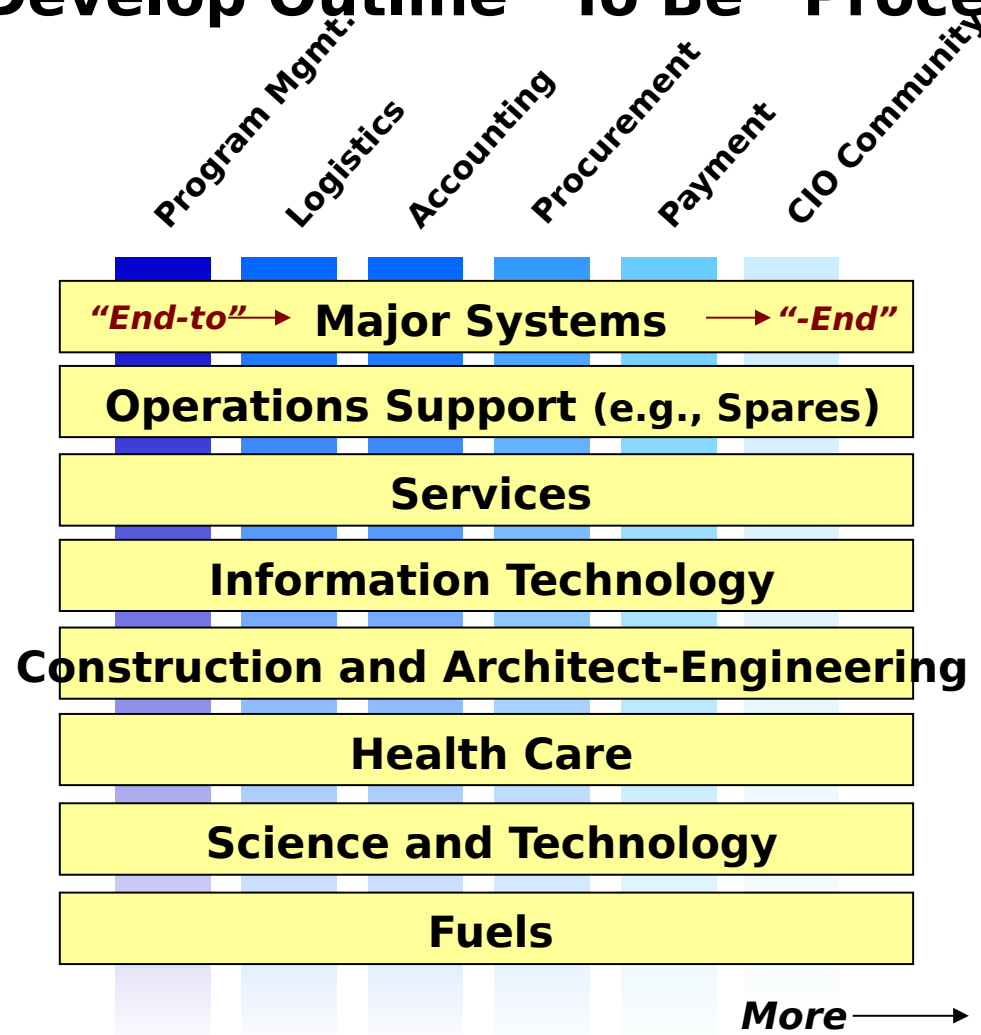✳ *More on these follows . . .*

Phase 1 - Model Template

Purpose of Session: Develop Outline "To Be" Proces

The communities
involved
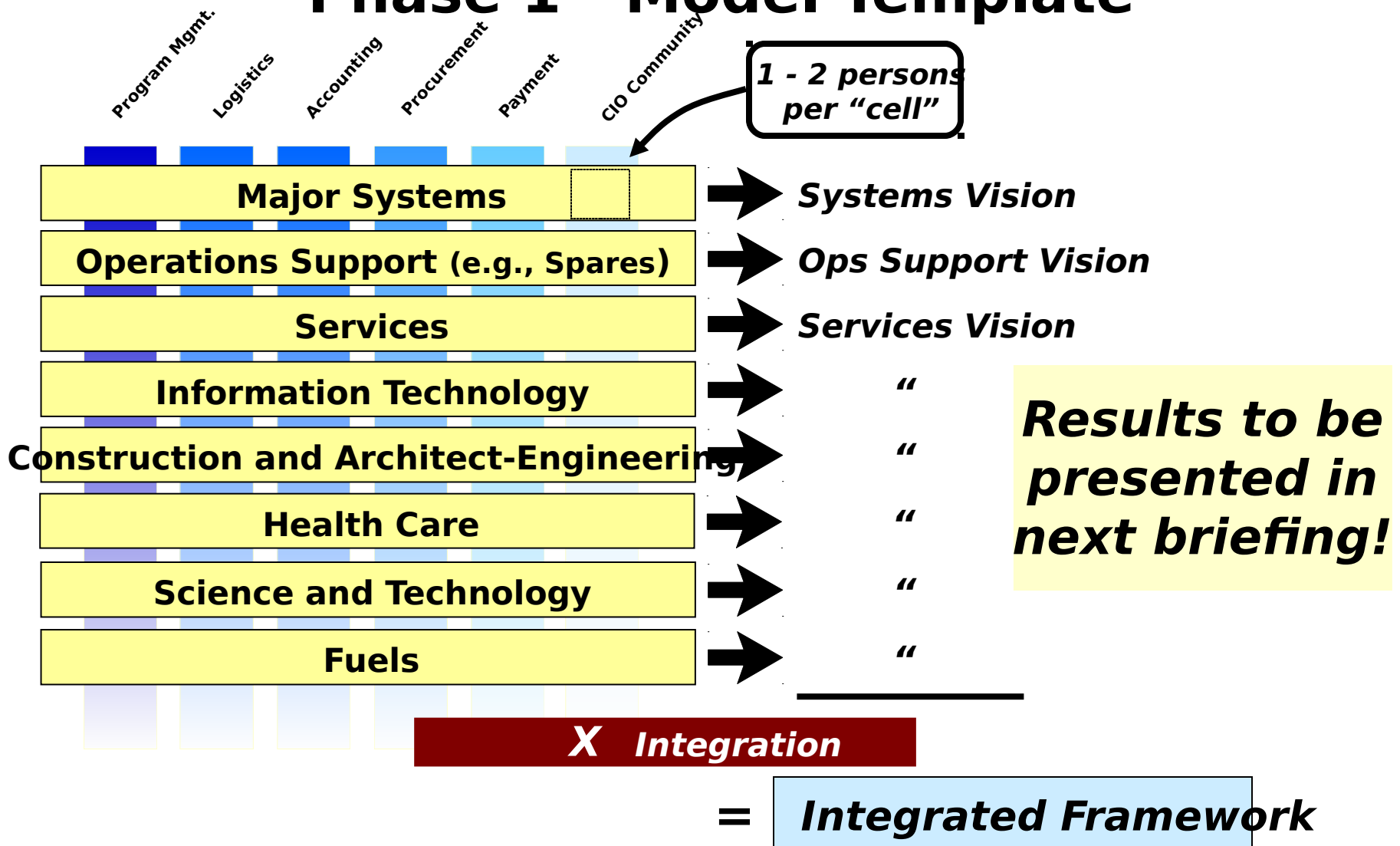in the process . . .

"What we buy drives
how
we buy!"

"End-to-End" views . . .

Program Mgmt.   Logistics   Accounting   Procurement   Payment   CIO Community

"End-to" → **Major Systems**	→ *"-End"*

Operations Support (e.g., Spares)

Services

Information Technology

Construction and Architect-Engineering

Health Care

Science and Technology

Fuels

More ⟶

Phase 1 - Model Template

Program Mgmt. | Logistics | Accounting | Procurement | Payment | CIO Community

1 - 2 persons per "cell"

Major Systems	➤ *Systems Vision*
Operations Support (e.g., Spares)	➤ *Ops Support Vision*
Services	➤ *Services Vision*
Information Technology	➤ *"*
Construction and Architect-Engineering	➤ *"*
Health Care	➤ *"*
Science and Technology	➤ *"*
Fuels	➤ *"*

Results to be presented in next briefing!

X   Integration

=   Integrated Framework

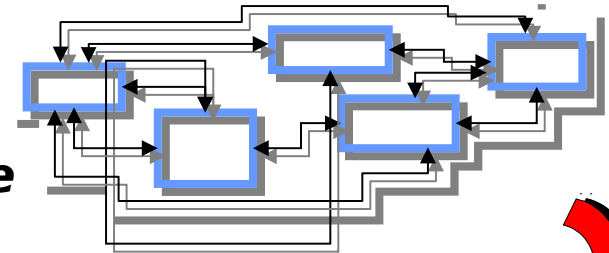# Phases 2 and 3

"To Be" Framework

Strawman "To Be" Model

--New subgroups, oriented around the interfaces

--More subgroup members, with more expertise in functional and systems areas

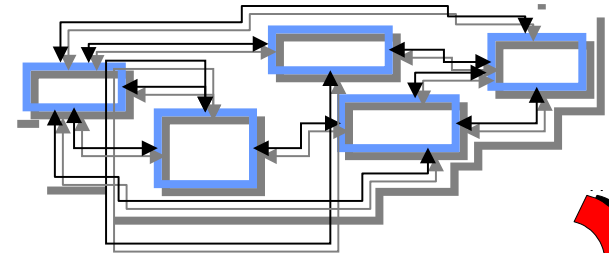*--Identify data elements to be shared between processes*

"To Be" Strawman

Detailed "To Be" Model

--As many more detailed levels of indenture as needed

--Identify electronic, seamless interfac to flow data

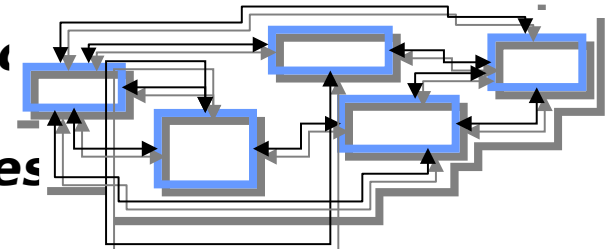*--Establish business practices and rules to control data elements*

"To Be" Detailed Model

Final Words . . .

- **December 8 - 10, 1998; Phase 2 Meeting**

- **Identify Inputs/Outputs**
  - **Identify data elements and sources**
  - **Map data elements to future systems**
  - **Identify "connectivity" issues**
  - **Capture improvement ideas**

- **Work together as a team!**

Any Questions?